

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EQUITABLE RESOURCES, INC.)	
FOR AN ORDER AUTHORIZING THE ISSUANCE )	CASE NO.
AND SALE OF UP TO 80,000 SHARES OF )	94-123
COMMON STOCK )	

O R D E R

On March 30, 1994, Equitable Resources, Inc. ("Equitable") filed an application seeking authority to create and issue up to 80,000 shares of common stock, without par value, pursuant to its Non-Employee Directors' Stock Incentive plan ("Plan"). The Plan provides that each non-employee Director shall receive a grant of 450 shares of restricted common stock on the effective date of a registration statement filed with the Securities and Exchange Commission to register the shares under the Plan. This event occurred on February 3, 1994. These shares will be transferred to the Directors free of restrictions on November 27, 1994. The Plan further provides that on June 1 of each year beginning in 1994, each Director will receive a stock option grant for 500 shares of common stock. This option will not be exercisable for a period of 3 years after the date of the grant. The exercise price will be 100 percent of the mean of the high and low trading price of the stock on the date of its grant. No award of stock will be made under the Plan after June 2, 1998.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the creation,

issuance and sale of the above securities by Equitable are for lawful objects within the corporate purposes of Equitable's operations, are necessary and appropriate for and consistent with the proper performance of its service to the public, and will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purposes and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Equitable be and it hereby is authorized to create and issue during 1994 and subsequent years up to June 2, 1998, 80,000 shares of its common stock pursuant to its Plan.

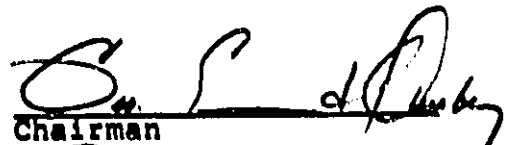
2. Equitable shall notify the Commission of the number of stock option grants issued through its Plan each June up to 1998.

3. Equitable shall notify the Commission of the number of stock option grants exercised annually, the exercise price and the market price on the date the grant was exercised.

Nothing contained herein shall be construed as finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 8th day of June, 1994.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director